

Message Text

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ACTION EB-08

INFO OCT-01 IO-13 ISO-00 AF-10 ARA-10 EA-10 EUR-12
NEA-11 L-03 FRB-03 OMB-01 ITC-01 SP-02 ICA-11
AGRE-00 AID-05 CIAE-00 COME-00 INR-10 LAB-04
NSAE-00 OIC-02 SIL-01 STR-07 TRSE-00 CEA-01 SS-15
H-01 NSC-05 /147 W

-----079148 221646Z /42

P R 221618Z MAY 78

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 6362

INFO AMEMBASSY ABIDJAN

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 08050

E.O. 11652: GDS

TAGS: ETRD, EAGR, ICCA

SUBJECT: COCOA -- CONSULTATIONS ON RENEGOTIATION OF
INTERNATIONAL COCOA AGREEMENT

REF: STATE 117952

1. EMBOFF HELD CONSULTATIONS WITH BRAZIL, CANADA AND THE IVORY COAST REGARDING U.S. PROPOSALS FOR THE REVISION OF THE INTERNATIONAL COCOA AGREEMENT (ICCA) 1975. INITIAL REACTION OF ALL THREE WAS POSITIVE AND ALL THREE EXPRESSED THEIR DELIGHT THAT THE UNITED STATES WAS STARTING ITS WORK AT AN EARLY STAGE. EMBOFF PREFACED COMMENTS BY NOTING THE UNITED STATES INSISTS WE WILL NOT ACCEPT QUOTAS; WE ARE NOT GOING TO GENEVA ONLY TO FAIL; IF OUR PROPOSAL IS NOT ACCEPTABLE TO THOSE WITH WHOM WE ARE CONSULTING, WE WOULD LIKE TO KNOW IN ORDER TO TAKE THAT FACT INTO ACCOUNT; WE WILL NOT ACCEPT THE 1975 ICCA; AND IF THE REACTION IS HIGHLY NEGATIVE FROM ALL SOURCES WE WILL CEASE AND DESIST IN OUR EFFORTS.

2. BRAZIL. ECONOMIC COUNSELLOR RACHE AT THE BRAZILIAN
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EMBASSY NOTED THE EARLY INITIATIVE OF THE UNITED STATES WILL MAKE THINGS A LOT EASIER FOR ALL CONCERNED. MANY CURRENT ICCA MEMBERS FEEL IT EASIER TO EXTEND THE AGREEMENT THAN TO RENEGOTIATE IT, BUT THE OUTLINE OF THE U.S. PROPOSAL PRESENTED FOR REVISION MAY MAKE THE DECISION ON WHAT TO DO MUCH EASIER. HE SAID HE WOULD REPORT BACK TO BRASILIA AND LET US KNOW OF THE REACTIONS HE

RECEIVES.

3. CANADA. EMBOFF CONSULTED WITH BLUM OF CANADIAN HIGH COMMISSION AND BURNS OF OTTAWA COMMODITIES DIVISION. CANADIANS REACTED IN A POSITIVE WAY TOWARD THE U.S. OUTLINE, BUT REJECTED THE NOTION OF DOING AWAY WITH QUOTAS ENTIRELY. THEY NOTED THAT UNLESS THERE ARE ALMOST UNLIMITED AMOUNTS OF MONEY AVAILABLE, EXPORT QUOTAS WILL BE NEEDED TO BACK UP THE SYSTEM. THEY ALSO BELIEVED THAT PRODUCERS WOULD FIND THE PROPOSALS UN-ACCEPTABLE WITHOUT A SAFETY NET OF EXPORT QUOTAS. CANADIANS FEEL LEVERAGING OF COCOA IN MONEY MARKETS WILL NOT REMOVE NEED FOR QUOTAS. THE CANADIANS NOTED THAT THERE IS ALREADY A MOVE AFOOT IN THE ICCO TO RENEGOTIATE THE AGREEMENT AT LEAST A YEAR AHEAD OF TIME IN ORDER TO PERMIT MEMBERS TO HAVE TIME TO RATIFY. THIS IS A MOVE BEING LED BY THE CAMEROONS BUT INVOLVING OTHERS WHO HAVE HAD TROUBLE RATIFYING THE CURRENT AGREEMENT IN TIME. IN ANY EVENT, A RENEGOTIATION IS UNLIKELY TO TAKE PLACE BEFORE JANUARY 1979 IN VIEW OF THE SCHEDULED NEGOTIATIONS FOR AN INTERNATIONAL RUBBER AGREEMENT UNDER UNCTAD AUSPICES IN GENEVA.

4. IVORY COAST. THE IVORY COAST CAISE DE STABILIZATION REPRESENTATIVE GERVAIS EXPRESSED DELIGHT AT THE U.S. INITIATIVE. HE WAS HAPPY TO NOTE THE CONTINUATION OF CONFIDENTIAL

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IVORY COAST/UNITED STATES COOPERATION ON COCOA AND

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NEA-11 L-03 FRB-03 OMB-01 ITC-01 SP-02 ICA-11
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TO SECSTATE WASHDC PRIORITY 6363
INFO AMEMBASSY ABIDJAN

C O N F I D E N T I A L SECTION 02 OF 02 LONDON 08050

PARTICULARLY THE FACT WE INCLUDED THE IVORY COAST AMONG THE FIRST COUNTRIES TO BE CONSULTED ON OUR IDEAS. HE SAID THE IVORY COAST WANTS THE U.S. IN THE ICCA AND IS HAPPY TO SEE THE PROPOSAL. HE ASSURED EMBOFF THAT THE PROPOSAL WOULD BE REPORTED TO ABIDJAN IMMEDIATELY. WHILE HE DID NOT EXPECT A REACTION BACK PRIOR TO THE BEGINNING OF THE COCOA PRODUCERS ALLIANCE (CPA) MEETING ON MAY 27 IN ABIDJAN, HE THOUGHT IT INADVISABLE TO BRING THE U.S. DOCUMENT BEFORE THE CPA MEETING. GERVAIS SAID THE CPA IS A NON-GOVERNMENTAL BODY AND THEREFORE NOT A GOOD FORM FOR THE U.S. PROPOSAL. HE ASKED THAT THE U.S. GET BACK TO HIM WITH ANY THOUGHTS IT MIGHT HAVE ON IVORY COAST CONSULTATIONS ON THE OUTLINE WITH TOQO, CAMEROONS AND POSSIBLY KEY NIGERIAN AND GHANIAN OFFICIALS ATTENDING THE CPA MEETING. HE REAFFIRMED HOWEVER, OUTRIGHT CPA CONSIDERATION OF THE PROPOSAL WOULD PROBABLY LEAD TO ITS REJECTION BY THOSE MEMBERS WHO ARE THOROUGHLY WEDDED TO THE CURRENT ICCA. GERVAIS SAID THAT IF THE U.S. DECIDES TO USE THE CPA AS A FORM FOR PRESENTING THE PAPER WE SHOULD HAVE THE U.S. AMBASSADOR

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IN ABIDJAN DELIVER IT TO THE MINISTER OF AGRICULTURE OF THE IVORY COAST. EMBOFF ASSURED GERVAIS THAT WE WOULD BE IN CONTACT WITH HIM PRIOR TO PRESENTATION OF THE PAPER TO EITHER GHANA, NIGERIA, OR ICCA EXECUTIVE DIRECTOR HACKMAN.

STREATOR

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Message Attributes

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